

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, June 23, 2008

3:30 P.M. Special Session

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Ellen W. Reckhow, Vice-Chairman Michael D. Page, and Commissioners Lewis A. Cheek, Philip R. Cousin Jr., and Becky M. Heron

Absent: None

Presider: Chairman Reckhow

Approval of Construction Contract with Harrod & Associates Constructors Inc. for the BOCC Chambers Technology Upgrades Project. Bid No: 08-021r

Chairman Reckhow stated that the decision was made to discuss this item in advance of the Regular Session, at which time the Board will take action. She called on Deputy County Manager Wendell Davis to present background on the item.

Mr. Davis stated that technology upgrades to the Commissioners' Chambers will be discussed. Phase one of the project constitutes the selected architectural improvements to the facility, as well as the infrastructure necessary to support the audiovisual capabilities to be implemented in phase two. The construction contract for phase two of the project (audiovisual capabilities) will be presented to the Board for authorization in the early part of fiscal year 2008-2009.

Ademola Shobande, Assoc. AIA, Senior Project Manager, Engineering Department, distributed an itemized list of the proposed renovations and associated costs.

Glen Whisler, P.E., County Engineer, stated that the purpose of this project is to upgrade the audiovisual capabilities and other associated technology in the Durham County Commissioners' Chambers and Conference Room. In addition, selected architectural improvements will be implemented to enhance usability and accessibility of the facility. Construction of the BOCC Chambers Technology Upgrades project was advertised in local newspapers on April 20, 2008, and a pre-bid conference was held on April 29, 2008 at 10:00 a.m. One bid was received on May 20, 2008 at 2:00 p.m., but could not be opened because the number of bids required by the law was not received. Therefore, the project was re-advertised on May 23, 2008, and two bids were received and opened on May 30, 2008. Harrod & Associates Constructors (H&AC Inc.) submitted the lowest total base & alternates bid amount of \$786,424.00. This amount combined with other related project expenses and contingency estimated at \$65,551.25 total \$851,975.25, which is over the current available

funding of \$590,000.00. Therefore, additional funding in the amount of \$261,975.25 is required to complete the project. Funding for phase one of this project in the amount of \$467,408.69 is available in the BOCC Technology Upgrades project account. The contract award for phase two in the amount of \$384,566.56 will be presented to the BOCC in the upcoming fiscal year. The recommendation is to authorize the County Manager to enter into a contract with H&AC Inc. for phase one of the construction and technology upgrades/improvements of the BOCC Chambers, Conference Room, and associated areas located on the second floor of the Durham County Administrative Building, 200 East Main Street, Durham., in the amount of \$412,000, and to execute any other related contracts including change orders, if necessary, not to exceed a project cost of \$467,408.69. This agenda item has been reviewed by the Purchasing Division and has satisfied the necessary M/WBE Good Faith Efforts. H&AC Inc. has identified a total of 20.99% women-owned participation. The Contractor has also committed to seeking additional M/WBE participation if the opportunity prevails. The Engineering Department has reviewed the bid proposals with Purchasing and DTW Architects & Planners, Ltd., the Project Architects, and recommends that the County proceed with phase one of the project, award a contract to H&AC Inc., and defer phase two until fiscal year 2008-2009. Completion of this project will provide a better facility to conduct BOCC meetings and other Chamber activities.

The Commissioners and staff discussed the proposed project in detail including wall treatments, cabinetry work, furnishings, portable tables, projection screens, audio/video equipment, monitors, and timelines. The principle concern expressed by the Commissioners was audio quality. Throughout the extensive and systematic discussion, staff was directed by the Board to delete various proposed items in order to reduce the cost of the project.

Mr. Whisler stated that he would amend the agenda action form as directed; the revised item and attachments would be included in the regular session consent agenda.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to adjourn to Closed Session to evaluate the following employees pursuant to North Carolina General Statute 143-318.11(a)(6):

4:30 p.m. to 5:00 p.m.	Sheriff Worth Hill
5:00 p.m. to 5:30 p.m.	Register of Deeds Willie Covington
5:30 p.m. to 6:00 p.m.	County Attorney Chuck Kitchen

The motion carried unanimously.

7:00 P.M. Regular Session

Opening of Regular Session

Chairman Reckhow welcomed everyone to the Monday, June 23, 2008 Regular Session of the Board of County Commissioners. She requested that persons rise for the Pledge of Allegiance to the Flag.

Agenda Adjustments

Chairman Reckhow noted the revised agenda (Recognition for Mr. James E. Fields was postponed, the Closed Session at the end of the agenda was deleted, and consent agenda item No. i was added [Approval of Construction Contract with Harrod & Associates Constructors Inc. for the BOCC Chambers Technology Upgrades Project]).

Motion Resulting from the 4:30 P.M. Closed Session

Chairman Reckhow announced that the Board met in closed session at 4:30 p.m. with three officials to review performances and determine salary increases. The Commissioners agreed that the officials had performed in an excellent manner during the past year. The recommended salaries follow:

Sheriff Worth Hill	\$122,090
Register of Deeds Willie Covington	\$112,000
County Attorney Chuck Kitchen	\$168,400

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve the salary recommendations.

The motion carried unanimously.

Announcements

Chairman Reckhow announced that she had the pleasure of being a guest speaker at the Project Restore graduation last Friday. (Project Restore is a quality program from the Criminal Justice Resource Center [CJRC].) “The graduation was very inspirational.” Chairman Reckhow commended Gudrun Parmer, CJRC Director, and her staff for their work. She also commended Habitat for Humanity for the great partnership whereby program participants worked on two Habitat houses.

Minutes

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve as corrected the June 2, 2008 Worksession and June 9, 2008 Joint BOCC/City Council Minutes and as submitted the June 9, 2008 Regular Session Minutes of the Board.

The motion carried unanimously.

Commissioner Heron pointed out that staff should ascertain that the directives given in the June 2 Worksession Minutes are carried out.

Chairman Reckhow requested that Assistant County Manager Deborah Craig-Ray follow up on the directives.

Renovation of the Stanford L. Warren Library—2008 Golden Leaf Award

Chairman Reckhow stated that on May 22, 2008, the Durham City-County Appearance Commission hosted the “Golden Leaf Awards for Community Appearance” ceremony which recognizes the best visual contributions to the community. The County’s project team received the 2008 Golden Leaf Award, Community Properties category, for the renovation of the Stanford L. Warren Library completed in 2006.

County Engineer Glen Whisler read a short quote from the judges who selected the Stanford L. Warren Library as a winner: “...the seamless integration of old and new, the visibility of the project, as well as the composition and use of materials. The greatest impact to the jurors was the importance of this facility to the community and Durham’s heritage. It was a tasteful addition to a significant community building.” In addition, the following six County facilities were nominated for awards, which demonstrate the County’s commitment to good design and maintenance:

Community Properties: East Regional Library and Emergency Medical Service Station #2

Landscaping and Maintenance: Center for Senior Life Legacy Garden

Sustainable Properties: Triangle Wastewater Treatment Plant and North Regional Library; Durham Public Schools also received an Award of Merit for the W. G. Pearson School in the Sustainable Properties category.

Mr. Whisler recognized the following persons who were instrumental in the County receiving the award for the Stanford L. Warren Library renovations: Skip Auld, Director of Library Services; Priscilla Lewis, Assistant Library Director, Library Services; Brenda Watson-Hall, Library Services; Dan Jewel, Coulter Jewell Thames P.A. (landscape architectural design firm); Ademola Shobande, Senior Project Manager, Engineering Department; and Peri Manns, Project Manager, Engineering Department. (No representative was present from Diversified Architectural Consulting [architectural design firm].)

Chairman Reckhow called the Library staff forward to accept a plaque and the Golden Leaf Award. She then called Mr. Jewell forward to receive a plaque.

Consent Agenda

Commissioner Cousin moved, seconded by Commissioner Heron, to approve the following consent agenda items:

- *a. Property Tax Releases and Refunds for Fiscal Year 2007-2008 (accept the property tax release and refund report for May 2008 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report);
- b. Service Contract for the Animal Protection Society of Durham Inc. (authorize the County Manager to execute a one-year contract for the operation of the Durham County Animal Shelter for \$611,562.00);
- *c. Capital Project Amendment No. 08CPA000022—Durham Public Schools (DPS) (approve six applications to the NC Public School Building Fund and Capital Project Amendment No. 07CPA000005 appropriating Public School Building Capital Fund funds [lottery funds] to six new capital projects);
- d. Acceptance of a Conservation Easement for Impervious Surface Rights Transfer per Unified Development Ordinance Section 8.7.2.B.2 (accept the conservation easement on nine acres of parcel #190606 from New Red Mountain Missionary Baptist Church in the Lake Michie watershed);
- e. Technical Adjustment—Move \$701,000 from the Debt Service Fund to the 2002 GO Bond (Capital Project) Fund to Return Excess Interest Amount Transferred;
- *f. Budget Ordinance Amendment No. 08BCC000076—Economic Development—Pass-Through of One NC Funds in the amount of \$100,000 from the State of North Carolina to Parata Systems;
- *g. Budget Ordinance Amendment 08BCC000075—Cooperative Extension—Recognize \$10,647 in Additional Revenue from the Juvenile Crime Prevention Council;
- h. Appointments (approve the recommended appointments of Sammy Haithcock [Director DSS] and Eunice Sanders [School Superintendent Designee] to the Juvenile Crime Prevention Council); and
- i. Approval of Construction Contract with Harrod & Associates Constructors Inc. for the Board of County Commissioners Chambers Technology Upgrades Project. Bid No: 08-021r (authorize execution of the contract in the negotiated amount of \$389,900 for phase one of the project and execution of any other related contracts

including change orders, if necessary, not to exceed a project cost of \$445,308.69). *(This item was discussed at length at the beginning of the meeting.)*

The motion carried unanimously.

*Documents related to the consent agenda items follow:

Consent Agenda Item No. a. Property Tax Releases and Refunds for Fiscal Year 2007-2008 (accept the property tax release and refund report for May 2008 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report).

Due to property valuation adjustments for over assessments, listing discrepancies, duplicate listings, and clerical errors, etc., the report details releases and refunds for the month of May 2008.

Releases & Refunds for 2008 Taxes:

Motor Vehicles	\$ 581.84
Vehicle Fees	<u>\$ 10.00</u>
Total for 2008 Taxes and Fees	\$ 591.84

Releases & Refunds for 2007 Taxes:

Real Estate	\$ 49,325.23
Personal	\$ 203.86
Registered Vehicles	\$ 37,830.85
Vehicle Fees	<u>\$ 730.00</u>
Total for 2007 Taxes and Fees	\$ 88,089.94

Prior years' (2002-2006) releases and refunds for May 2008 are in the amount of \$1,730.11. The total current year and prior years' releases and refunds amount to \$90,411.89.

(Recorded in Appendix A in the Permanent Supplement of the June 23, 2008 Regular Session Minutes of the Board.)

Consent Agenda Item No. c. Capital Project Amendment No. 08CPA000022—Durham Public Schools (DPS) (approve six applications to the NC Public School Building Fund and Capital Project Amendment No. 07CPA000005 appropriating Public School Building Capital Fund funds [lottery funds] to six new capital projects).

DURHAM COUNTY, NORTH CAROLINA
FY 2007-08 Capital Project Ordinance
Amendment No. 08CPA000022

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2007-08 Capital Project Ordinance is hereby amended to reflect budget adjustments for the following projects:

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>Expenditures</u>			
Lakewood Elementary Roof	\$0	\$675,000	\$675,000
Jordan High School Roof	\$0	\$630,000	\$630,000
Jordan high School HVAC	\$0	\$375,000	\$375,000
Northern High School Gym Roof	\$0	\$475,000	\$475,000
Northern High School Gym HVAC	\$0	\$250,000	\$250,000
Northern High School Auditorium	\$0	\$300,000	\$300,000

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 23rd day of June, 2008.

Consent Agenda Item No. f. Budget Ordinance Amendment No. 08BCC000076—Economic Development—Pass-Through of One NC Funds in the amount of \$100,000 from the State of North Carolina to Parata Systems.

DURHAM COUNTY, NORTH CAROLINA
FY 2007-08 Budget Ordinance
Amendment No. 08BCC000076

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2007-08 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$364,690,830	\$100,000	\$364,790,830

Expenditures:

GENERAL FUND

Economic and Physical Development	\$ 4,751,511	\$100,000	\$ 4,851,511
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All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 23rd day of June, 2008.

Consent Agenda Item No. g. Budget Ordinance Amendment 08BCC000075—Cooperative Extension—Recognize \$10,647 in Additional Revenue from the Juvenile Crime Prevention Council.

DURHAM COUNTY, NORTH CAROLINA
FY 2007-08 Budget Ordinance
Amendment No. 08BCC000075

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2007-08 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Intergovernmental	\$364,680,183	\$10,647	\$364,690,830

Expenditures:

<u>GENERAL FUND</u>			
Economic and Physical Development	\$ 4,740,864	\$10,647	\$ 4,751,511

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 23rd day of June, 2008.

Public Hearing to Consider Allocating Economic Development Investment Funds to International Business Machines (IBM)

Acting County Manager Carolyn Titus requested that the Board hold a public hearing to consider allocating economic development investment funds to International Business Machines (IBM), a leading provider of information technology equipment and services to markets worldwide. She stated that Durham's IBM is competing with New York and Colorado for a state of the art, energy-efficient Leadership Data Center (LDC). If awarded the project, IBM would convert existing underutilized warehouse space into a LEED certified data center, customer briefing center, and associated support services center on its Durham campus. The total project investment would be \$362 million with ten new jobs. Company officials have stated that incentives are a key consideration in its ability to be awarded the project. Staff is recommending that the County participate in this economic development project by providing up to \$750,000 over a period of seven years for the costs of expansion. This public hearing was advertised on Friday, June 13, 2008, as required by N.C. Statutes.

Chairman Reckhow opened the public hearing that was properly advertised.

Ralph McKinney, 3104 Winston Road, Durham 27704, voiced his disapproval of allocating economic development investment funds. He opined that businesses should be financially independent.

Ted Conner, 300 W. Morgan Street, Durham 27701, stated that IBM has contributed greatly to Durham County's economic transition from tobacco and textile products to a technology based economy; Durham County has successfully made this transition. IBM competes in a

global marketplace and must continually develop new products for the market. The LDC is one of those projects on which is IBM basing its future business plan. Mr. Conner thanked IBM representatives for attending the meeting and expressed gratitude to IBM's leadership for considering Durham County for the location of the Leadership Data Center.

Tracey Sanders, 4 Autrey Mill Circle, Durham 27703, Durham County Industrial Facilities/Pollution Control Financing Authority member and past chair, discussed her thoughts on the impact of IBM in the Durham community. "I am speaking to you tonight as a volunteer who is vitally interested in Durham County's economic future. In real work, I am employed in the banking industry. In my professional work and participation on the Financing Board, I have learned to look at projects and requests from a number of different directions—What is the background of the company, what is its current market position, how does the project for which financing is being considered move the company towards success in its industry, and what does the company mean to Durham? In the case of IBM, it was the first tenant in RTP. Without IBM coming to RTP, who knows how RTP would have progressed. Would others have followed if IBM had not located here? There are critical moments in every company and project's life that shape its future. Back at the infancy of RTP, IBM's location here propelled RTP's growth and Durham's economic transition from tobacco and textiles to a modern technology based economy. For RTP and for Durham County, IBM has profoundly shaped the course of RTP and Durham County's history and legacy. Since the inception of IBM's location here in Durham County, IBM's employment has grown to 10,500 employees, thousands of whom are Durham County residents. IBM has helped shape such famous Durham residents as Bill Bell and Willie Covington into leaders. In many ways, the proposed Leadership Data Center will serve to shape IBM's future, the future of IBM's Durham Campus, and, ultimately, Durham County. Thank you, and I hope that you will consider the importance of a vibrant IBM in your considerations tonight."

Earl Tye, 300 W. Morgan Street, Durham 27701, City Executive for BB&T and the Durham Chamber Chairman, provided a business case for supporting IBM. "We all have seen the impact of globalization upon the U.S., the Triangle, and Durham County's economy since 2000. Many companies and operations were dramatically affected. Durham County's economy has recovered from 10,000+ jobs that were lost in our community from 2000-2004. The key to this change is a successful public/private partnership involving Durham County to guide and direct the future of our economy. The Durham Chamber of Commerce, the N.C. Dept. of Commerce, RTP, and our other economic development partners have generated thousands of new jobs and redirected our economy in new, positive directions ensuring a positive economic future for our community. Supporting IBM in Durham County will allow a dynamic international corporation to add new services and products that will allow it to keep on the forefront of the business cycle of change, while at the same time helping Durham County. Attracting IBM's investment to IBM'S Campus here in Durham County will help add positive new energy and focus to a mature campus by the corporate management of IBM that will protect the 10,500 jobs, many of those being Durham residents. As a banker, you want to see corporate management seek to make new investments in a campus designed to create new and critical business opportunities affecting the future of the corporation. When a corporation gives the challenge to a business unit, such as the business unit at IBM's Durham Campus, that indicates confidence in that business unit and, more importantly, brings that

business unit and campus to the forefront of a corporations thinking. Think about it, when someone is tasked with an incredibly important assignment that affects the future course of the organization, and that team succeeds, as I know IBM's Durham Team will succeed, corporate leaders will continue making critical investments where they feel the investments will yield positive results; this ultimately provides Durham County a positive economic future with IBM. With respect to the proposed incentive, in no way is the proposed investment by Durham County an expense. Without it, I am confident the project will not occur here and, thus, nothing risked is nothing gained. This proposal generates a good revenue stream for Durham County that provides additional revenue to the County to address critical needs in the community such as job training for our citizens, funding for our youth, etc. I do want to warn the Board and residents of Durham County that we have had a great economic run in the past few years and for us not to become complacent. Our economy can change unless we are vigilant about supporting and directing our future economic well-being for generations down the road."

Shelley Green, 101 East Morgan Street, Durham 27701, with the Durham Convention and Visitors Bureau, provided an overview of the hospitality benefits of having IBM's LDC locate in Durham County. "IBM's data center will attract initially at least 1,000 customers to Durham; this number will grow over time. These visitors will spend money at Durham hotels, restaurants, caterers, office product suppliers, and other businesses."

Bill Ingram, 1637 Lawson Street, Durham 27703, President, Durham Technical Community College, discussed how IBM has supported Durham's educational and community service organizations in the past. "IBM has been a great corporate citizen to Durham and has provided support to organizations such as Durham Technical Community College to allow our institution to prepare Durham County residents for the well-paying jobs being created here in Durham County—close to 3,800. Moreover, IBM has provided free computers to Durham Public Schools to assist better our school system in producing graduates prepared for today's workplace. IBM has also been a leader in United Way efforts to assist our residents; 3,769 employees volunteered in the community last year and provided \$3.8 million in employee donations and 170,000 employee volunteer hours. Moreover, company employees and retirees pledged more than \$505,000 to the Triangle United Way Community Care Fund through the 2007 Employee Charitable Contribution Campaign. In addition, IBM made a corporate gift of cash and technology to the Triangle United Way for \$429,000 in 2007. IBM has been particularly involved in the efforts of the Durham Rescue Mission to help residents in need. IBM is not a philanthropic leader because it looks good; the corporation and their employees get involved because this is their home, and it is the right thing to do."

Casey Steinbacher, 300 West Morgan Street, Durham 27701, President, Greater Durham Chamber of Commerce, stated that "having a dynamic and vital IBM is critical to Durham's future since IBM is one of the critical mainstays of RTP, which has been, currently is, and will continue to be a critical driver of Durham economic engines. IBM was integrally important in helping Durham County and the Triangle's economy make the successful transition from tobacco and textiles to our modern technology-based economy. Without IBM, I am not sure where our county would be today. With a partnership with IBM to

support its proposed LDC data center program, we can work to control our economic destiny and future. Earl hit on a critical point—we have been successful—not through luck but rather hard work by many. Our Chamber applauds the positive results that have been generated by the hard working IBM professionals at its Durham Campus. I want the professionals to have the opportunity to face new challenges and succeed for the benefit of all of us. IBM is not only a business leader in our county and region, but also a dynamic leader in philanthropy. Through its outreach into the community; it has touched thousands of lives and helped those they touched live a better life. Thank you for considering IBM's Durham campus for this tremendous investment and allowing our community the opportunity to be a critical player in IBM's future business plans. We all realize that this project will not directly improve the quality of life for a number of our citizens in need; however, IBM's project will provide additional substantial resources to Durham County Government to address directly our community's needs. We have also seen IBM's contributions as a corporation as well as an entity composed of thousands of employees who liberally donate their time and resources to our community to help our citizens in need. I urge the support of the Durham County Board of Commissioners to support IBM's quest to develop a Leadership Data Center in RTP. Thank you."

E. Lavonia Allison, representing the Durham Committee on the Affairs of Black People, PO Box 428, Durham 27702, requested that IBM consider Durham residents when hiring employees and look at opportunities to reach out to community groups. She congratulated the Board for considering the allocation and encouraged the Board to vote in favor of the request.

Bruce Sargent, Site Operations Manager at the IBM—Durham/RTP Campus, thanked the Board for the opportunity to speak and for its consideration of the proposal. He explained the benefits to Durham County if IBM chooses Durham as the location for its proposed Leadership Data Center. "This proposed project would be a significant investment by IBM, in a high profile, strategic area of our business. IBM is a globally-integrated company and needs to expand its data processing capabilities, which support clients around the world. In addition, with this project, we are seeking to reaffirm our leadership in the data center and IT arena. As you might expect, many locations would love to attract this facility given the direct benefits of the construction and operations of such a world-class facility, but it will also attract attention from visitors and, more importantly, prospective clients from around the world. We here in Durham would be proud to include this facility on the IBM campus and request your assistance to make it viable and competitive in the world marketplace. I am here tonight to make sure that you know that we at the park want to make this investment in Durham. It would position IBM to further our long-standing commitment to both the site and to the Durham area. Your support will position both the site and Durham as world class leaders in this arena, as well as helping drive potential growth. IBM first came to Durham over 43 years ago, helping to create, what is known today as, Research Triangle Park. We have always had a strong partnership and commitment to Durham and feel that this investment would allow IBM to reposition the site to support this new global business opportunity." On behalf of IBM, Mr. Sargent thanked the Board for the opportunity and for its consideration.

As no one else requested to speak on the agenda item, Chairman Reckhow closed the public hearing and referred the matter back to the Board.

Chairman Reckhow stated that the Commissioners are excited about the prospect of the Leadership Data Center being sited in Research Triangle Park. This incentive will pay back tenfold or more in terms of growing Durham's tax base. Although the County will increase the tax rate by 1.99 cents in the FY 2008-09 Budget, the increase is much less than in many other counties in the state. Due to the great work of the Chamber of Commerce and the Commissioners in being able to grow the tax base over the years, Durham has a healthy economy (which supports many wonderful services and initiatives for the citizens without large tax rate increases).

Commissioner Cheek corrected a comment of one of the speakers about the incentive being 20% of the investment; the incentive is actually less than 2% of the investment. He thanked Dr. Allison for being present and for encouraging the Commissioners to support the proposal. Commissioner Cheek stated that the project is a win/win for IBM and for Durham.

Commissioner Cheek moved, seconded by Vice-Chairman Page, to approve entering into a standard economic development incentive contract between the County of Durham and International Business Machines (IBM) in the amount of \$750,000.

The motion carried unanimously.

Public Hearing—Office of the Sheriff and City of Durham Police Department 2008 Edward Byrne Memorial Justice Grant (JAG)

Durham County and Durham City were notified of solicitation for the 2008 Edward Byrne Memorial Justice Grant (JAG). The 2008 JAG application was presented to the County Manager and the Board of County Commissioners on June 6, 2008 via e-mail. Authorization to proceed with the Interlocal Agreement which appoints the Sheriff's Office as fiscal agent for joint funds and agrees to a fifty-fifty split of the funds with the City was requested.

Chairman Reckhow noted the presence of Major Andrews, Sheriff's Office, and Chief Deputy Chief Wes Crabtree. She asked if they had preliminary comments.

Major Andrews and Chief Deputy Crabtree responded in the negative.

Chairman Reckhow stated that the Sheriff's Office funds will be used to fund a Case Manager for the Jail-Reentry Program along with the Criminal Justice Resource Center. The Police Department's funds will be used for the Crime Prevention and Victim Services Program and the Special Operation Division Informant Fund. No additional funding is required. The total award is \$69,019 to be budgeted in the FY 2008-09 budget; the Sheriff's Office and Police Department will each receive \$34,509.50 from the grant award. Chairman

Reckhow stated that unfortunately this amount represents a reduction from last year of 68 percent; less money is being received from Washington for Durham's crime initiatives.

Chairman Reckhow opened the public hearing that was properly advertised.

Ralph McKinney, 3104 Winston Road, Durham 27704, spoke about violence in the Durham community.

Victoria Peterson, PO Box 101, Durham 27702, stated her desire for community nonprofits to work with individuals who are "in and out" of the County jail. She asked that the Sheriff's Office explain how it intends to break the cycle. The Sheriff's Office and the City Police Department need to be audited to make sure that the funds are used to help some of Durham's young people "get of out the County jail".

As no one else requested to speak on the agenda item, Chairman Reckhow closed the public hearing and referred the matter back to the Board.

Commissioner Heron moved, seconded by Commissioner Cheek, to authorize the submission of the application and proceed with the Interlocal Agreement which appoints the sheriff's office as fiscal agent for joint funds and agrees to a fifty-fifty split of the funds with the City.

The motion carried unanimously.

Adoption of FY2008-2009 Budget Ordinance

Chairman Reckhow recognized Acting Durham County Manager Carolyn P. Titus to present the FY2008-2009 Annual Budget Ordinance to the Durham County Board of Commissioners for approval. (This submission is in accordance with the Local Government Budget and Fiscal Control Act, which requires adoption of the budget ordinance no later than July 1.)

Ms. Titus, Acting County Manager, made the following comments:

"We are presenting Durham County's Budget Ordinance for FY2008-2009, which reflects a County tax rate of 70.81 cents/\$100 of valuation. This rate is a 2.9% increase over the revenue neutral rate of 68.82 cents. For the owner of a \$200,000 home, this would represent an additional \$39.80 annually.

The Board of County Commissioners held five worksessions on the budget during May and June and received public comment at its June 9 Board meeting. Overall, the County's General Fund budget represents \$683.9 million, an increase of 6.65% over the prior year. 37.35 new FTEs are included: 22.85 in the GF (12 of which are related to the warrant control initiative with the City, four to be funded from lapsed salaries); 13.5 are grant

funded positions; and one new FTE is supported by the County's Enterprise Fund.

Also included in the FY2008-2009 Ordinance is an increase in funding for Durham Public Schools of \$7.1 million. Per pupil funding for the upcoming year will be \$2,899 or an increase of \$143 per pupil.

Thirty-five non-profit organizations will be funded for a total of \$947,170. Five of these organizations are new to the County's grant program.

The Fiscal Year 2008-2009 budget includes a 1% Cost of Living Allowance (COLA) for County employees effective with the first pay period in July 2008. Funding is also included for continuation of longevity bonuses, as well as a benchmark study, effective January 2009.

This FY2008-2009 budget will allow the County to continue to provide a high level of service for the citizens of Durham County. We look forward to this new fiscal year. Thank you very much."

Chairman Reckhow noted that the one-percent COLA increase for County employees is in addition to the merit program. She commended the staff, the budget director, and Acting County Manager Titus for all their work. Chairman Reckhow commented that the Board has done an excellent job in being able to lower the tax rate from the proposed 2.75-cent increase to 1.99 cents. In addition, the County was able to fund most of its high-priority initiatives and largely fund the schools system's request. "The Board worked very well together; this has been a good budget process."

Vice-Chairman Page noted that prices will continue to escalate. He asked the County departments to do all they can to cut dollars so next year's budget process will not be as challenging as this year's process. He expressed appreciation to the employees for working under difficult conditions.

Commissioner Heron echoed the comments of Vice-Chairman Page. She stated that the Board worked together very well during this demanding budget season, which was one of the better organized budget processes she has experienced. Commissioner Heron thanked the Board of County Commissioners and the staff for all the work, especially in keeping the tax rate fewer than two cents.

Victoria Peterson, PO Box 101, Durham 27702, shared her concerns regarding the budget. She stated that no monies from the economic development portion of the budget are being spent on the African-American community. Ms. Peterson's second concern was that an agreement exists between Durham Public Schools and Durham Technical Community College not to help 16 and 17 year olds who drop out of high school with the GED. She stated that the North Carolina State law is being broken.

Vice-Chairman Page responded to Ms. Peterson's comments by stating that the Durham Literacy Council, which is funded by the County, just brought forth about nine graduates. The majority of the graduates were African-American. Powerful programs are supported by the County. Dr. Ingram is crafting a program to work closely with African-American males to help them succeed and help with the retention rate. Durham County is reaching out and trying to help.

Commissioner Cheek stated that during his past service on the Board, he has never seen the Commissioners discriminate against any entity that sought contracts or assistance. In addition, if Durham Tech has no program to provide GEDs to persons under the age of 18, the law is not being violated. He stated that he intends to speak with Dr. Ingram about the situation.

Chairman Reckhow stated that she has had recent communications with Dr. Ingram; he is willing to revisit the issue that has been raised.

Commissioner Cheek moved, seconded by Commissioner Cousin, to approve the FY2008-2009 Budget Ordinance.

The motion carried unanimously.

ANNUAL BUDGET ORDINANCE
Durham County
North Carolina
FY 2008-09

WHEREAS, the proposed budget for FY 2008-09 was submitted to the Board of Commissioners on May 27, 2008 by the Durham County Manager and filed with the Clerk to the Board on that date pursuant to G.S. 159-11;

WHEREAS, on June 9, 2008, the Durham County Board of Commissioners held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 23, 2008, the Durham County Board of Commissioners adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Commissioners considers sufficient and proper in accordance with G.S. 159-13;

BE IT ORDAINED by the Durham County Board of Commissioners that for the purpose of financing the operations of Durham County, North Carolina for the fiscal year beginning July 1, 2008 and ending June 30, 2009, there are hereby appropriated from taxes and other revenues the following by function and fund:

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Section 3. For purpose of raising revenues to finance appropriations for the foregoing expenditures, the following ad valorem taxes are hereby levied on all property subject to ad

valorem taxes within the county on January 1, 2008 at an anticipated collection rate of 98.5 percent. Rates are per \$100.00 of assessed valuation of taxable property.

District	Rate
Durham County-countywide	\$.7081

Section 4. For purpose of raising revenues to finance appropriations for the foregoing expenditures, the following ad valorem taxes are hereby levied on all property subject to ad valorem taxes within the county on January 1, 2008 at an anticipated collection rate of 98.3 percent. Rates are per \$100.00 of assessed valuation of taxable property.

District	Rate	District	Rate
Bahama Fire District	\$.0600	Lebanon Fire District	\$.1000
Bethesda Fire District	\$.0900	New Hope District	\$.0675
Eno Fire District	\$.0570	Parkwood Fire District	\$.1100
		Redwood Fire District	\$.1075

Section 5. There is hereby levied a tax at the rate shown below, per \$100.00 valuation of property listed for taxes as of January 1, 2008, for property located within the Durham County portion of the Durham-Wake Counties Research Triangle Park Research and Production Service District for the raising of revenue for said district. The anticipated collection rate is 98.3 percent.

	Tax Rate	Appropriation
Research & Production Service District	\$.0361	\$651,791

There is hereby appropriated to the Durham-Wake Counties Research and Production Service District from the net proceeds of this tax the amount of \$651,791 for use in said district in such manner and for such expenditures as is permitted by law from the net proceeds of this tax. In the event the actual net proceeds from the tax levy of the Research and Production Service District exceed the appropriated amount, the actual net proceeds from the tax shall constitute the appropriation from said tax levy.

Section 6. Charges for services and fees by county departments, excluding those established by state statute, are levied in the amounts set forth in the Fee Schedules.

Section 7. The following authorities shall apply to transfers and adjustments within the budget:

- a) The County Manager may authorize transfers within a function up to 15% cumulatively without report to the Board.
- b) The County Manager may transfer amounts up to \$20,000 between functions of the same fund with a report to the Board of Commissioners at the subsequent regular meeting of the Board.

- c) The Budget Officer may approve intradepartmental transfer requests between appropriation units and between departmental programs within the limits of the approved budget.
- d) The County Manager may enter into the following agreements within funds:
 - Form and execute grant agreements within budgeted appropriations;
 - Execute leases of up to \$15,000 for normal and routine business within budgeted appropriations (County as Tenant only);
 - Enter consultant, professional, maintenance, or other service agreements of up to \$40,000 within budgeted appropriations;
 - Approve renewals for service and maintenance contracts and leases;
 - Purchase of apparatus, supplies, materials or equipment and construction or repair work not requiring formal bids by law;
 - Reject any and all bids and readvertise to receive bids;
 - Waive any bonds or deposits, or performance and payment bonds requirements when authorized or permitted by applicable law.
- e) County Manager can transfer between functions, and/or funds for merit, pay plan adjustments, health benefits, and reclassifications.
- f) Transfers between funds and transfers from the contingency account may be executed only by the Board of Commissioners.

Section 8. In accordance with North Carolina General Statute 115D-54, the following appropriations are made to Durham Technical Community College. All accumulated and unexpended and unencumbered amounts at the end of the fiscal year shall be reported to Durham County within 30 days of the completion of the external audit.

Current Expense Fund	\$4,189,944
Capital Outlay Fund	<u>\$614,602</u>
Total Appropriation	\$4,804,546

Section 9. In accordance with G.S. 115C-429(b), the following appropriations are made to the Durham Public Schools. The budget resolution adopted by the Durham Public Schools Board of Education shall conform to the appropriations set forth in the budget ordinance.

The total local appropriation for Durham Public Schools for FY 2008-09 is as below:

Current Expense	\$102,728,739
Capital Outlay	<u>\$2,370,000</u>
Total Appropriation	\$105,098,739

- a) In addition, the Durham Public Schools budget should reflect local appropriations by purpose, function, and project. Once adopted, such resolution shall not be amended without the prior approval of the Board of Commissioners if the cumulative effect of such amendment would be to increase or decrease the amount of county appropriations allocated by purpose, function, or project by 15 percent or more.

- b) The Board of Commissioners and the County Manager shall be informed in writing of the audited fund balance amounts within 30 days of completion of the external audit.
- c) Transfers between capital outlay and current expense shall be approved by the Board of Commissioners.
- d) Durham Public Schools is authorized to use Public School Building Capital Funds, Public School Building Bond Funds, and Lottery Funds for capital outlay requests, with the approval of the Board of Commissioners.

Funding (including debt service) exceeds the required merger agreement rate of \$1,960 per pupil.

Section 10. In addition, it is the intent of the Durham County Board of Commissioners in appropriating these funds that the Board of Education allocates sufficient funds to continue the teacher supplement at a rate of 12.5 percent for teachers with less than 10 years experience; 13.5 percent for teachers with 10-20 years experience; and 14.5% for teachers with 20 years or more experience.

Section 11. In addition, it is the intent of the Durham County Board of Commissioners in appropriating these funds that the Board of Education allocate continuation funding for the Encore! Middle School After School program as well as an additional \$35,000 in funding to meet the State mandated changes in program hours of service for after-school programs.

Section 12. In accordance with G.S. 159-13.1, the following financial plans for intragovernmental service funds are hereby approved.

RISK MANAGEMENT FUND

Estimated Revenue	\$2,433,685
Estimated Expense	\$2,433,685

CAFETERIA PLAN FUND

Estimated Revenue	\$1,416,449
Estimated Expense	\$1,416,449

Section 13. In accordance with G.S. 159-14, the following trust funds are established and the proceeds are estimated as follows:

Law Enforcement Officers Trust Fund	\$170,415
George Linder Memorial Fund	\$250
Community Health Trust Fund	\$4,534,892

Section 14. This ordinance incorporates an amendment in the capital financing policy to designate County Contribution at 2.25% of dedicated revenues for pay-as-you-go projects instead of 20%.

Section 15. In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the County Manager, the Finance Officer, the Clerk to the Board, and the County Tax Administrator.

Adopted this the 23rd day of June 2008.

<p align="center">DURHAM COUNTY FIRE PREVENTION & PROTECTION CODE Adopted Fee Schedule for Inspections, Permit Services and Violations Fiscal Year 2008-2009</p>

PENALTIES & FEES		
Ordinance Code #	Description of Violation	Amount of Penalty
105.3.5	Permit not posted or kept on premises	\$50.00
307.2	Unpermitted open burning (Immediate)	\$500.00
308.3	Careless use of ignited object (Immediate)	\$500.00
603	Use of non-approved heating appliance	\$50.00
703.1	Breach in fire wall/fire stops	\$50.00
703.2.1	Fire or exit door inoperative	\$200.00
703.2.1	Fire tower door open (Immediate)	\$500.00
310.3	"No Smoking" signs not posted where appropriate	\$50.00
310.2	Smoking in prohibited areas (Immediate)	\$500.00
901.4	Sprinkler or fire alarm inoperable	\$200.00
Appendix C	Fire hydrants not complying with code	\$50.00
903.1	Sprinkler system not complying with code	\$50.00
905.1	Standpipe system not complying with code	\$50.00
315.2.1	Sprinkler head(s) blocked/covered (Immediate)	\$500.00
505.1	Street address numbers not posted	\$50.00
505.1	Street address numbers not visible	\$50.00
901	Sprinkler/standpipe needs testing	\$50.00
901	Fire alarm system needs testing	\$50.00
1005.1	Storage in or on fire escape (Immediate)	\$500.00
1005.1	Blocked egress (Immediate)	\$500.00
1005.1	Locked exit doors (Immediate)	\$500.00
1005.1	Overcrowding (Immediate)	\$500.00
1003.2.8	Fire exit or aisle blocked (Immediate)	\$500.00
315.2.2	Storage in or on fire escape (Immediate)	\$500.00
1003.3	Exit or egress door needs repair	\$50.00
315.2.2	Blocked stairwells or stairways (Immediate)	\$500.00
1003.2.10	Exit illumination and marking	\$50.00
1003.2.10.2	Absence of required exit directional signs	\$50.00
404.1	Approved fire evacuation plan required	\$50.00
404.3	Fire drill performance not acceptable	\$50.00
405.2	No monthly fire drill reported	\$50.00
3405.3	Improper use of flammable liquids (Immediate)	\$500.00
3404.3.3	Flammable liquid not stored according to code	\$50.00
3405.3	Improper dispensing of flammable liquid (Immediate)	\$500.00
3402.2.10	Aboveground tanks not diked	\$50.00
2703.2.4	Tank installation not according to code	\$50.00

3404	Tank storage not according to code	\$50.00
1504.1	Spray painting in non-approved area	\$50.00
1504.1.2	Spray booth not complying to code	\$50.00
3003.3	Compressed gas cylinders not secured	\$50.00
105.1.2	No hazardous materials permit	\$50.00
2704	Chemical storage is not according to code	\$50.00
1003.7.2.5	Maximum occupancy not posted	\$50.00
308.5	Use of open flame cooking device	\$50.00
PENALTIES & FEES (continued)		
105.2.2	Failure to get tank work permit prior to work	\$500.00
105.2	Failure to obtain permits required by code	\$500.00
112.1	All other violations of the code	\$50.00
<i>NOTE: The term "Immediate" as it appears above means that the Fire Marshal's Office may issue a citation immediately and the violation must be corrected by the violating party immediately.</i>		

FIRE PREVENTION PERMIT FEES		
Section 1: The fees set forth in this section are fixed for the issuance of the permits required by the Fire Prevention Code. Such permits, unless stated otherwise on the face of the permit, shall be valid for a period of one year from the date of issue, subject to revocation for failure to comply with the fire Prevention Code. Renewal of permits shall be subject to fees in effect for the period of renewal.		
Technical Code #	Description of Activities Requiring Permits	Fee
105.6.2	Amusement Buildings	\$50.00
105.7.1	Automatic Fire Extinguishing Systems	\$50.00
105.6.3	Aviation Facilities	\$50.00
105.6.5	Battery Systems	\$50.00
105.6.9; 105.7.2	Compressed Gases	\$50.00
105.6.9	Covered Malls, Buildings	\$50.00
105.6.12	Cutting and Welding	\$50.00
105.6.16	Fire Hydrants and Valves	\$50.00
105.6.9	Manufacturing, Storage, Handling, & sale or use of explosives, fireworks, explosive material (This is a 9-day permit)	\$100.00
105.7.3	Fire Alarm & Detection Systems & Related Equipment	\$50.00
105.7.4	Fire Pumps & Related Equipment	\$50.00
105.6.17	Flammable and Combustible Liquids (per site or service station)	\$50.00
105.6.20	Fumigation & Thermal Insecticide Fogging	\$50.00
105.7.6	Hazardous Materials	\$50.00
105.6.23	High-Pipe Storage	\$50.00
105.6.22	HPM Facilities	\$200.00

105.7.7	Industrial Ovens	\$50.00
105.6.28	Liquefied Petroleum Gas	\$50.00
105.6.26	Lumber Yards & Woodworking Plants	\$50.00
105.6.29	Magnesium	\$50.00
105.6.30	Miscellaneous Combustible Storage	\$50.00
105.6.34	Places of Assembly	\$50.00
105.6.35	Private Fire Hydrants	\$50.00
105.6.37	Pryoxylin Plastics	\$50.00
105.6.38	Refrigeration Equipment	\$50.00
105.6.39	Repair Garages, Service Stations	\$50.00
105.6.41	Spraying or Dipping	\$50.00
105.7.11	Stand Pipe Systems	\$50.00
105.6.42	Storage of Scrap Tires & Tire Byproducts	\$50.00
105.6.45	Waste Handling	\$50.00
105.6.46	Wood Products	\$50.00
<i>All other permit fees required by the Technical Code and not listed shall be \$50.00</i>		

USER FEES		
Plans Review:		Fee
	Subdivision (plus \$20 per fire hydrant required)	\$30.00
Building - New and Renovations:		
	Building less than 5,000 s.f.	\$50.00
	Building 5,000 - 10,000 s.f.	\$90.00
	Building 10,000 s.f. or more (plus \$20 per 5,000 s.f. over 10,000 s.f.)	\$90.00
Hazardous Chemicals:		
	Class A - 55 gals. or 500 lbs.	\$50.00
	Class B - 55 to 550 gals. or 550 to 5,000 lbs.	\$200.00
	Class C - 550 to 5,500 gals. or 5,000 to 50,000 lbs.	\$300.00
	Class D - 5,500 gals. or 50,000 lbs.	\$400.00
INSPECTION FEE SCHEDULE		
All owners or tenants of buildings in Durham County, which are required to be inspected by the Durham County Fire Marshal's Office are subject to the following inspection fee schedule:		
Inspection Activities:		Fee
	Periodic Inspection	None
	First inspection pursuant to permit application	None
	First re-inspection for non-compliance if code requirements are met	None
	First re-inspection for non-compliance if code requirements are NOT met	\$200.00
	Second and subsequent re-inspections for non-compliance	\$400.00

Board and Commission Appointments

Vonda Sessoms, Clerk to the Board, distributed ballots for the Board to vote on appointments to various boards and commissions. The following appointments were made (incumbents are underlined):

Area Mental Health Board
“Business/Management” Position

John Barry (Recommended by AMHB)

Bicycle & Pedestrian Advisory Committee

Scott Carter (Business)
Greg Garneau (Senior Advocacy)
Lawrence Trost (Health)

Board of Adjustment

Furney Brown Jr. (Regular)
George Kolasa (Alternate)

Durham County Hospital Corporation

Mark Branch, M.D. (Recommended by the Hospital Board of Trustees and Durham Regional Hospital)

Robert A. Buchanan Jr., M.D. (Recommended by the Hospital Board of Trustees and Durham Regional Hospital)

Rev. Kenneth R. Hammond (Recommended by the Hospital Board of Trustees)

Michael F. Pearl (Recommended by the Hospital Board of Trustees)

Evelyn D. Schmidt, M.D. (Recommended by the Hospital Board of Trustees)

Durham Technical Community College Board of Trustees

David L. Dodson (Recommended by DTCC Board of Trustees)

Barker French (Recommended by DTCC Board of Trustees)

EMS Advisory Council

Jeff Bartels (AAA Transport)
Kelly Bradley (Bahama VFD)

William Colley Jr. (Parkwood VFD)
Dewey Davis (Consumer)
David Jacobs (City Fire Dept.)
Donna Kovalick (VA Medical Center)
J. David Marsee II (Fire Marshal/Emergency Management)
Tracy Stell (Durham Regional Hospital)
Jeffrey White (EMS Provider)
M. Kevin Wilson (EMS Provider)

Environmental Affairs Board

Joyce Martin (Public Policy)

Juvenile Crime Prevention Council

Johnnie Foster Jr. (Member of Faith-Based Community)
Shea Neville (Member of Business Community)
Rhonda Parker (Parks & Recreation)
Karen K. Thompson (Non-profit or United Way Representative)

Public Health Board

William T. Small (Optometrist)

Social Services Board

Gloria S. Green

Women's Commission

Iheoma U. Iruka
Jacqueline Olich

Workforce Development Board

Alvis Aikens (Community-Based Organization)
Barker French (Private Sector)
Casey Steinbacher (Community-Based Organization)

Chairman Reckhow wished Commissioner Cousin a great deal of luck and success in his upcoming election for Bishop. She stated that the Board will hold neither the worksession nor the first regular session in July. Chairman Reckhow wished everyone a nice summer holiday and a happy July 4th.

Vice-Chairman Page reminded the citizens that the run-off for the elections will be held tomorrow.

Chairman Reckhow added that the run-off election is for the school board (at-large seat) and the statewide democratic nominee for Labor Commissioner. Polls will be open from 6:30 a.m. to 7:30 p.m. Chairman Reckhow encouraged citizens to exercise their opportunity and right to vote.

Adjournment

There being no further business to come before the meeting body, Commissioner Reckhow adjourned the meeting at 8:25 p.m.

Respectfully submitted,

Vonda Sessoms, CMC
Clerk to the Board